Supreme Court, U.S.
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No. 01-0371

In The

Supreme Court of the United States

REVOCABLE INTERVIVOS TRUST OF MABEL MARIE GRIFFIN AND GRIFFIN FAMILY TRUST,

Petitioners,

vs.

HAROLD EUGENE GRIFFIN, MARATHON NATIONAL BANK, CALIFORNIA INVESTMENT CLUB AND TD INVESTMENT FUND,

Respondents.

On Petition For Writ Of Certiorari To The United States Court Of Appeals For The Ninth Circuit

BRIEF IN OPPOSITION

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DISCLOSURE STATEMENT PURSUANT TO RULE 29.6

Respondent, Marathon National Bank, a National Banking Association, is a wholly-owned subsidiary and is operated by Marathon Bancorp, a one-bank holding company.

Respondents, California Investment Club and TD Investment Fund, are not corporations.

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REASON FOR DENYING PETITION

There is no reason, much less the compelling reason required by Rule 10, for the Court to exercise its discretionary authority to review the Ninth Circuit's decision. In affirming the decision of the Bankruptcy Appellate Panel of the Ninth Circuit, which affirmed the decision of the United States Bankruptcy Court, Central District of California, the Ninth Circuit correctly held that the Revocable Intervivos Trust of Mabel Marie Griffin and Griffin Family Trust, the Petitioners herein ("Trusts"), failed to show that the Bankruptcy Judge's finding that "the equities are not with the Griffins" was an abuse of discretion. Here, the appellate courts confirmed the decision that the Bankruptcy Court's Order denying the Trusts the right to participate in the distribution because they failed to file their claims is, in effect, an order enforcing the terms of the Plan. This was particularly true because there was no question that the Trusts received actual notice of the bar date of March 22, 1994 (the Trustee and Co-Beneficiary of the Trusts and the Debtor-in-Possession, being one and the same person) and, further, that the Trusts waited almost three (3) years after the bar date before even requesting permission to file late proofs of claim and, even then, without any explanation for their failure to comply with the deadline. The Ninth Circuit's decision does not conflict with any decisions of this Court or of any other United States Court of Appeal and certainly does not decide an important question of federal law that should be resolved by this Court. The Petition filed by the Trusts should be denied.

I.

PERCEIVED MISSTATEMENTS MADE IN THE PETITION

Pursuant to Rule 15, Respondents bring to the attention of this Court the following perceived misstatements made in the Trusts' Petition. Page numbers refer to page numbers in the Petition.

1. Page 1.

Perceived Misstatement: The Petition erroneously states that the Ninth Circuit denied the motion to distribute funds to the Trusts and denied the Trusts' request to file late proofs of claim, "on the sole ground that Harold Eugene Griffin, as an attorney, should have known better."

Correct Statement: The Debtor's motion to disburse funds and the request of the Trusts to file late proofs of claim were denied, not on a sole ground, but on several grounds. Those grounds include, but are not limited to, (a) that the Trusts were listed on the Debtor's Schedule F as "unliquidated claims", which require, under Bankruptcy Rule 3003(c)(2), proofs of claim to be filed; (b) no proofs of claim were filed on behalf of the Trusts; (c) the amended Plan of Reorganization as confirmed by the Court required the Trusts, as well as all other members of that class, to file proofs of claim in order to share in the distribution; (d) the Trusts had actual notice of the bar date; (e) there was no document that the Trusts could point to as an informal proof of claim; and (f) the Debtor-in-Possession, as an attorney, should have known better. [Pet. App. C, pp. 17a-19a.]

2. Page 2.

Perceived Misstatement: "The respective claims in the amounts of $175,000.00 and $250,000.00 were inadvertently noted by GRIFFIN's non-lawyer's son as 'unliquidated' ".

Correct Statement: A complete, correct statement, will include not only the assistance of the Debtor by his non-lawyer son, but the fact that the Debtor himself, was a lawyer. In addition, after the Debtor filed his Chapter 11 bankruptcy in pro per, the Debtor employed bankruptcy counsel, Lawrence R. Young and John Cruickshank, both at the law firm of Lawrence R. Young and Associates, to represent the Debtor and, during the years of such representation, the Debtor's schedules were never amended.

3. Page 2.

Perceived Misstatement: "The claims against the GRIFFIN estate arose as a result of GRIFFIN's borrowing from the TRUSTS prior to the filing of the Chapter 11 petition."

Correct Statement: This statement in the Petition not only assumes facts not in evidence but, in fact, is contrary to the evidence presented. The Trusts failed to show that the Trusts were, in fact, even creditors of this Debtor's estate.

4. Page 4.

Perceived Misstatement: The entirety of page 4, as it applies to this case.

Correct Statement: The facts set forth in the four (4) paragraphs on page 4 of the Petition are not facts relevant or accurate to the case at bar. Instead, it should be made clear, that those four (4) paragraphs are apparently the

Trusts' interpretation of the facts in the case of *Pioneer Investment Services Co. v. Brunswick Associated Limited Partnership*, 507 U.S. 380, 113 S.Ct. 1489 (1993).

5. Page 5.

Perceived Misstatement: "*Without explaining how*, Marathon National Bank, California Investment Club and TD Investment Fund [Respondents] contend that the length of the delay between plan confirmation on June 16, 1994 and the TRUSTS' April 1, 1997 request to file proofs of claim constituted a delay in the case which was highly prejudicial to all creditors and impacted substantially on the administration of the Chapter 11 case. This is simply untrue." [Emphasis added.]

Correct Statement: At the very last moment on the day of April 1, 1997 hearing, Petitioners filed a brief seeking a pro rata distribution of the Cancienne proceeds. Respondents argued at the hearing that the late filing of brief, as well as the remedy Petitioners sought, were highly prejudicial to creditors and impacted substantially on the administration of the case. [Pet. App. E, pp. 34a-35a, 55a-56a.]

6. Page 5.

Perceived Misstatement: "All the creditors knew that the TRUSTS were requesting that their claims be paid if the estate won the Cancienne case."

Correct Statement: All creditors only knew that all members of Classes 2.1 and 2.2, including the Trusts, who timely filed proofs of claim and, which claims were subsequently allowed by the Court, would be paid their pro

rata share of the Cancienne case recovery as provided by the Plan. [Resp. App. 2, pp. 3a and 5a.]

7. Page 5.

Perceived Misstatement: "The plan contemplated that there would be an additional payment to all creditors if the Cancienne case resulted in a settlement beneficial to the estate.

Specifically, the plan provided that members of both Class 2.1 and 2.2 would receive their pro rata share of the Cancienne settlement after payment of attorneys' fees and costs."

Correct Statement: The Plan clearly set forth that proceeds from the Cancienne settlement would be distributed not to all creditors but only those creditors who timely filed proofs of claim, which were allowed by the Court. [Resp. App. 2, pp. 3a and 5a.]

8. Page 5.

Perceived Misstatement: "The delay in the administration of the estate was caused by the failure of the Respondents to object to the allowance of the TRUSTS' claims until it became clear there would be sufficient funds to pay the claims of these respondents in their entirety. These objections should have been raised at plan confirmation.

Marathon National Bank was included as a member of the Class and did not need to object unless it was to the allowance of the TRUSTS' claims. It made no such objection at that time.

California Investment Club and TD Investment Fund did object, requesting that they be included as members

of the Class. They did not raise any objection to the allowance of the TRUSTS' claims."

Correct Statement: In balancing the equities, the Bankruptcy Court correctly considered the factors regarding the length of the delay and its impact on efficient judicial administration. [Pet. App. B, p. 12a; Pet. App. E, pp. 38a and 50a.]

9. Page 6.

Perceived Misstatement: "The debtor was required to go to great lengths to demonstrate conclusively to the Court that he had borrowed money from the TRUSTS."

Correct Statement: In fact, the Debtor never demonstrated conclusively, or otherwise, to the Bankruptcy Court that he had borrowed money from the Trusts.

10. Page 6.

Perceived Misstatement: "Because all parties knew both that the TRUSTS were making claims and the amount of those claims, they should have been equitably estopped from objecting to the late filings, . . . "

Correct Statement: What the respondents knew was that the Trusts were required to file proofs of claim if they intended to participate in distribution. Respondents also knew that, had the Trusts filed proofs of claim, those claims could have been objected to. No such claims were ever filed and, therefore, no such objections to claims were filed. [Resp. App. 2, p. 3a; Pet. App. C, p. 19a.]

11. Page 6.

Perceived Misstatement: "The neglect of Petitioners and their counsel, i.e., GRIFFIN was excusable. By its comment that as an attorney, GRIFFIN should have followed the rules, the Bankruptcy Court emphasized the fact that GRIFFIN had reasonable control over the cause of the delay, while it ignored other facts profoundly affecting the equities of the situation."

Correct Statement: Mr. Griffin was never the attorney for the Petitioners (Trusts). The attorney for the Trusts at the Bankruptcy Court level was James L. Huffman. [Pet. App. E, p. 25a.]

12. Page 6.

Perceived Misstatement: "At the relevant time, GRIFFIN was an elderly, hearing-impaired attorney who specialized in landlord-tenant cases. He had no experience in bankruptcy cases."

Correct Statement: The debtor, Harold Eugene Griffin, did, in fact, have experience in bankruptcy cases, particularly involving landlord/tenant issues.

13. Page 6.

Perceived Misstatement: "The Class 2.2 creditors knew from the moment they reviewed and approved the plan that the TRUSTS had claims against the estate, the amount of the claim for each TRUST, and how GRIFFIN proposed to pay those claims."

Correct Statement: The creditors knew that the Trusts were listed as unsecured non-priority unliquidated creditors on Schedule "F" and that, pursuant to the Plan, that the

Trusts were members of Class 2.2 based upon proofs of claim to be filed. [Resp. App. 1, p. 1a; Resp. App. 2, pp. 3a and 5a.]

14. Page 7.

Perceived Misstatement: "Apart from the failure of the Respondents to assert timely objections to allowance of the TRUSTS' claims . . . "

Corrected Statement: Respondents did not fail to timely assert objection to the claims of the Trusts, because the Trusts never filed any such claims. [Pet. App. C, p. 19a.]

15. Page 7.

Perceived Misstatement: "Although the Bankruptcy Court raised a question as to whether the TRUSTS acted in good faith, no hearing contesting the validity of the TRUSTS' claims was ever conducted."

Correct Statement: No hearing contesting the validity of the Trusts' claims was ever conducted because the Trusts never filed a claim, timely or otherwise. Nor did the Trusts ever file a motion or adversary regarding the validity of their purported claims.

16. Page 7.

Perceived Misstatement: "Allowing the TRUSTS to file their proofs of claim would in no way prejudice anyone because everyone knew about the TRUSTS' claims and the amount owed to each trust."

Correct Statement: Respondents have already been severely prejudiced by being delayed for almost four (4) years, all due to the failure of the Trusts to comply with

the bankruptcy law and, in particular, with the confirmed Plan.

II.

COURT'S DECISION IN DENYING AN EXTENSION OF TIME TO PETITIONERS TO FILE A PROOF OF CLAIM AFTER EXPIRATION OF THE CLAIMS BAR DATE AND PLAN CONFIRMATION DOES NOT CONFLICT WITH THIS COURT'S DECISION IN *PIONEER*

Whether or not to extend a bar date is a matter within the sound discretion of the bankruptcy court and such a decision will not be set aside absent abuse of discretion. *In re Dix*, 95 B.R. 134, 136 (9th Cir. BAP 1988). The Ninth Circuit Court of Appeals held that "[a] reorganization plan resembles a consent decree and, therefore, should be construed basically as a contract." *Hillis Motors, Inc. v. Hawaii Auto. Dealers' Ass'n*, 997 F.2d 581, 588 (9th Cir. 1993). [Pet. App. B, pp. 7a-8a.]

It is undisputed that the Debtor, Harold Eugene Griffin, was the Trustee of the Trusts. It is also undisputed that Debtor is the son of Alfred Gus Griffin and Mabel Marie Griffin, beneficiaries of their respective Trusts, the Petitioners herein. Debtor is also the Co-Beneficiary of those Trusts.

At the April 1, 1997 hearing, *no* competent evidence was provided to the bankruptcy court that Mr. Griffin lacked *actual* knowledge of (1) the bar date and its significance (2) the contents of his second amended plan of reorganization and (3) the listing of the claims of the Trusts as "unliquidated". The trustors/beneficiaries of the respective Trusts, Alfred Gus Griffin and Mabel Marie

Griffin, also provided *no* contrary, competent evidence that they lacked *actual* knowledge of the claims bar date or of the contents of the Plan at that hearing or at any time.

After hearing the arguments and considering the evidence, the Court found that, as a debtor and debtor-in-possession, Trustee Harold Griffin, had *actual* knowledge of the claims bar date and its significance and that he had listed the Trusts' claims as "unliquidated" on Schedule F in his Chapter 11, as well the contents of his "Second Amended Plan of Reorganization, As Amended by Interlineation." [Pet. App. E, pp. 37a, 42a-43a, 50a, 58a and 62a.] The Court also found that the Debtor had listed on his Schedule F [Resp. App. 1] that all claims were "unliquidated," and that such listing was improper and in bad faith and that redoing Schedule F to properly schedule, as suggested by counsel for the Trusts, each creditor five (5) years after the filing of the Chapter 11 would be inequitable and undermine the administration of the Chapter 11 case. [Pet. App. E, pp. 38a and 50a.]

On a motion to extend time, it is undisputed that the bankruptcy court has the discretionary power to extend, for cause shown, the time to file a proof of claim after expiration of a claims bar date in a Chapter 11 case pursuant to Bankruptcy Rule 9006(b)(1). There was no such motion filed by the Trusts. Nevertheless, the three exceptions that would permit a late filing under Bankruptcy Rule 3003(c)(3) were not applicable to the instant case. Petitioners are not infants or incompetents, judgment creditors, or claimants under an executory contract or unexpired lease. [*Bankruptcy Rules*, Rule 3002(c)(2), (3) and (4).] As such, the Bankruptcy Court properly found

that the Trusts had failed to file timely proofs of claim and that under Article II, Section 2.02 of the Plan, that they were not entitled to participate in the pro rata distribution of funds from the "Cancienne Settlement". [Pet. App. C, pp. 18a-20a, Resp. App. 2, p. 13a.]

Under Bankruptcy Rule 9006(b)(1), the court exercises discretionary power and its decision to grant or deny the motion for extension of time is an "equitable one, taking account of all relevant circumstances surrounding the party's omission" and that Rule requires a finding that a party's failure to file a proof of claim within the court-ordered claims bar date was "excusable". *Pioneer Inv. Services Co. v. Brunswick Associates Limited Partnership, et al.* (1993) 507 U.S. 380, 394, 123 L.Ed.2d 74, 113 S.Ct. 1489, 1498. The instant case presents an entirely different factual pattern from *Pioneer*. Unlike the party in the *Pioneer* case who filed a motion to permit a late filing approximately 20 days after expiration of the claims bar date due to excusable neglect of their attorney, the Trusts did *not* argue that the failure to timely file their proofs of claim was due to any attorney negligence or excusable neglect. The length of delay between the confirmation of the amended Plan on *June 16, 1994* and the Trusts' request, on or about *April 1, 1997*, to file a late proof of claim was substantial, unlike the twenty (20) days of the parties in *Pioneer* and, as the Bankruptcy Court noted at the hearing on April 1, 1997, this delay was highly prejudicial to all creditors and impacted substantially on the administration of the Chapter 11 case. [Pet. App. E, pp. 36a-37a and 42a-43a.]

It also is significant that this Chapter 11 case was filed almost seven years ago: on *December 29, 1992*. During the approximate *twenty-one (21) months* between the filing of the voluntary Chapter 11 petition and the hearing on the confirmation of the Plan, the Trusts, like the Respondents and other creditors, were on notice that all creditors were free to examine the Debtor's schedules, in particular Schedule "F", to determine if their claim was properly scheduled and whether they were required to file a proof of claim so they could properly vote on the Plan and participate in any distribution. [Resp. App. 3, pp. 8a-10a.] This examination and the ability to file a proof of claim was within the control of the Trusts and within the actual control of their Trustee, the Debtor Harold Griffin. Their collective lack of inquiry, combined with actual and constructive knowledge, from December 29, 1992 to April 1, 1997, vitiates any argument that their neglect was excusable. Such conduct is evidence of bad faith under the standards enunciated in *Pioneer*. As stated in *Pioneer*, the "excusable" requirement is to "deter creditors or other parties from freely ignoring court-ordered deadlines in the hopes of winning a permissive reprieve under Rule 9006(b)(1)". *Id.*, at 395. It is just this type of conduct for which Bankruptcy Rule 9006(b)(1) was formulated to prevent.

In *Pioneer*, this Court stated further that "the proper focus is upon whether the neglect of respondents *and their counsel* was excusable." *Id.*, at 397. Generally, Bankruptcy Rule 9006(b)(1) has focused on the neglect of attorneys. By analogy, Respondents contend that the Trusts, like the parties in *Pioneer*, should be held accountable for the errors and omissions of their Trustee. As the Chapter 11

debtor, the Trusts' Trustee, was in an unique position to have actual, intimate knowledge of the court-ordered claims bar date, contents of the confirmed Plan and his bankruptcy schedules. The Trusts should be held accountable for their Trustee's errors, just as if it was their attorney's errors and omissions. *Link v. Wabash R. Co.*, (1992) 370 U.S. 626, 8 L.Ed.2d 734, 82 S.Ct. 1386.

The instant case also differs from *Pioneer* since the notice of the court-ordered claims bar date in the case at bar was contained in the notice of the motion and motion to confirm the proposed Chapter 11 Plan, which was served in the ordinary course of this Chapter 11 case. It was not issued with the notice of a creditors meeting as in *Pioneer*, which the Court considered significant. *Supra*, at 398, 113 S.Ct. at 1499.

Under the "excusable" neglect standards of *Pioneer*, the Bankruptcy Court found ample evidence that there was prejudice to creditors as well as to the efficient judicial administration of the Chapter 11 case, that there was evidence of bad faith, and that the filing or the lack of filing of the proof of claim within the claims bar date was within the reasonable control of the Trusts and their Trustee, Harold Griffin. [Pet. App. E, pp. 36a-37a, 58a and 61a-62a.] Unlike the parties in *Pioneer*, the Trusts never filed any proofs of claim at any time, nor did the Trusts ever seek by motion a court order to permit a late filing under Bankruptcy Rule 9006(b)(1).

The Bankruptcy Court did not err in finding, after balancing the equities, that there were sufficient facts to support a finding that there was no "excusable neglect" to permit a filing of late claim under Bankruptcy Rule

9006(b)(1) and the Court's findings are not contrary to the relevant factors for determining "excusable neglect" as enunciated by this Court in *Pioneer, Supra,* at 395, 113 S.Ct. 1498. [Pet. App. C, pp. 18a-19a.]

III.

A CREDITOR MAY OBJECT TO A CLAIM AFTER A PLAN OF REORGANIZATION HAS BEEN CONFIRMED AND MAY ALSO OBJECT TO ANY DISTRIBUTION OF FUNDS THAT DOES NOT ADHERE TO THE TERMS AND CONDITIONS OF THE CONFIRMED PLAN

A confirmed plan of reorganization has a binding effect on all parties. 11 U.S.C. § 1141. It is not subject to collateral attack and it is res judicata as to all questions and issues that could have or should have been raised at the confirmation hearing on the plan of reorganization. *Tullis v. Barton,* 107 F.3d 685, 691 (9th Cir. 1995) and *In re Pardee,* 218 B.R. 916, 924 (9th Cir BAP 1998).

The issue of allowance of claims and the pro rata distribution of available funds to members of classes 2.1 and 2.2 could not have been raised prior to confirmation of the Plan in that it is undisputed that the Trusts did *not* file any proofs of claim within the court-ordered claims bar date of March 22, 1994, or anytime thereafter. As such, the Respondents retained their rights, as interested parties, to object to the allowance of any proof of claim, had the proofs been allowed by the Bankruptcy Court to be filed by the Trusts. 11 U.S.C. § 502(a). The Bankruptcy Court acknowledged that, if a proof of claim were permitted to be filed by the Trusts, the claim would be subject to objection, which is proper under 11 U.S.C. § 502(b). [Pet.

App. E, pp. 42a-43a.] The Bankruptcy Court ruled (1) that no funds were to be distributed to the Trusts from the "Cancienne Settlement" and (2) that the request of the Trusts to file a proof of claim was denied pursuant to Bankruptcy Rule 9006(b)(1). [Pet. App. C, 18a-20a.]

The Petitioners suggest that Respondents notwithstanding that Petitioners never filed proofs of claim, cannot object to the distribution to the Trusts because the Plan specifically provided for the Trusts and the Respondents as members of Class 2.2. Like the Trusts, the Respondents are bound by all the terms and conditions of the confirmed Plan. One of those terms and conditions was the filing of a proof of claim, if required, before expiration of the court-ordered claims bar date. Another term and condition of the Plan was that any distribution was to be made to only holders of *allowed* claims. The mere fact that, under the confirmed Plan, the Trusts were classified as *members* of Class 2.2 does not automatically entitle them to a distribution any more than the Respondents. Under Article II, Section 2.01 of the Plan, the only distribution is to those members of Class 2.2 who have filed, if required, a proof of claim that has been allowed by the Bankruptcy Court and the subsequent consideration by the bankruptcy court of any objections thereto by interested parties after hearing and notice. 11 U.S.C. § 502(a). [Resp. App. 2, pp. 3a-5a.] Unlike the Trusts, the Respondents in Class 2.2 timely filed their proofs of claim as required by the Plan because their claims were listed as "unliquidated." [Resp. App. 2, p. 3a.]

It cannot be contended that Respondents remained in the background before objecting to distribution of any funds to the Trusts. Until and if funds became available

from the "Cancienne Settlement," the provisions of the Plan would not become operative. Only at the time of the occurrence of this condition precedent could the Respondents file any objections to any proposed distribution and request that such distribution be made pursuant to the terms and conditions of the confirmed Plan. [Resp. App. 2, pp. 3a-5a.] As such, Respondents' objections to the distribution were timely and not tardy. The Bankruptcy Court's findings of fact and conclusions of law were proper. The remedy sought by the Trusts would undo and undermine the certainty of the confirmation process.

IV.

CONCLUSION

For all of the foregoing reasons, Respondents respectfully request that this Honorable Court deny the Petition.

September 28, 2001

Respectfully submitted,

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Form B6F
(10/89)

In re HAROLD E. GRIFFIN, Debtor

Case No LA92-59106-GM (If known)

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY

(Continuation Sheet)

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE	CODEBTOR	HUSBAND, WIFE OR JOINT	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE	CONTINGENT	UNLIQUIDATED	DDISPUTED	AMOUNT OF CLAIM
ACCOUNT NO. 4226-950-131-745 4226-623-502-751 Chase Manhattan Bank P.O. Box 15491 Willmington, DE 19850-5491			1992 Visa Cards		X		$8,000
ACCOUNT NO. 07-RC26811 Tri-Co Disposal 9820 Cherry Ave. Fontana, CA 92334			1992 Rubbish removal		X		$3,835
ACCOUNT NO. Trust Estate of Alfred Gus Griffin 1753 - 15th Street, #B Santa Monica, CA 90404			1992 Family Trust		X		$250,000
ACCOUNT NO. Trust Estate of Mabel Marie Griffin 1753 - 15th Street, #B Santa Monica, CA 90404			1992 Family Trust		X		$175,000
ACCOUNT NO. Ultimate Carpet Care 2512 Bedford Ave. Hemet, CA 92454			1992 Carpet cleaning		X		$125

Sheet no. 11 of 12 sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims

Subtotal (Total of this page) ▶ $ 435,960

Total ▶ $

(Use only on last page of the completed Schedule E)

1a

APPENDIX 1

BEST AVAILABLE COPY

APPENDIX 2

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UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA

In re:	Chapter 11
HAROLD E. GRIFFIN,	Case No. LA 92-59106-GM
Debtors.	SECOND AMENDED PLAN OF REORGANIZATION PROPOSED BY DEBTOR AS AMENDED BY INTERLINEATION

HAROLD E. GRIFFIN, Debtor and Debtor-in-Possession ("Debtor") proposes the following Plan or Reorganization pursuant to the Provisions of Chapter 11, Title 11, United States Code (11 U.S.C. 101, et seq.);

ARTICLE I: DEFINITIONS

For purposes of this Plan of Reorganization, the following terms shall have the following meanings unless the context clearly requires otherwise:

1.01 HAROLD E. GRIFFIN: Debtor in these proceedings.

1.02 Administrative Expenses: Any claim entitled to priority pursuant to Sections 507(a)(1), (2), (3), (4), (5), (6),

* * *

1.26 As used herein, the masculine includes the feminine and vice versa.

ARTICLE II: GENERAL TERMS AND PROVISIONS

The following general terms and provisions apply to this Plan:

2.01 This Plan is intended to deal with all claims against the Debtor of whatever character whether or not disputed, contingent, liquidated and whether or not allowed by the Court pursuant to section 502(a) of the Code. However, only those claims allowed pursuant to Section 502(a) of the Code will receive treatment afforded by the Plan in Articles III and IV.

2.02 In order to vote or receive a distribution under the Plan, a Creditor must have filed a Proof of Claim with the court on or before the Bar Date established by the Court of *March 22, 1994*, unless a claim is included in the schedule of debts filed by the Debtors in this Case and is not scheduled as disputed, contingent or unliquidated. However, a Claim will not be allowed in excess of the amount scheduled unless a Proof of Claim is filed. If a claim is not scheduled or is scheduled but disputed, contingent or unliquidated, the creditor will not be allowed to participate in voting or distribution if he has not timely filed a Proof of Claim in the proper form. If the Creditor has previously filed a Proof of Claim, there is no necessity to file a new Proof of claim, unless the Creditor wishes to amend the Proof of Claim previously filed.

2.03 To the extent required pursuant to Section 1124(2) or 1129(2)(A) of the Code to preserve the rights of a Creditor having a Secured Claim dealt with pursuant to either section, the lien or

* * *

in the next five years or in the event the Debtor sells any real property at a profit as above described. The amount of any such distribution will be made pro rata to each Claim Holder in this Class. Since the above amounts are unknown at this time, it is not possible to determine the exact amount which you could receive.

CLASS 2.2

Non Priority Unsecured Claims of insiders and the unsecured portion of secured claims:

The following Claim Holders are members of this Class:

Name of Creditor	Amount of Claim
Trust Estate of Gus Griffin	$250,000.00
Trust Estate of Mabel Griffin	175,000.00
Marathan National Bank	27,556.08

Total amount allowed claims: $452,556.08 plus accrued interest and other charges based upon a Proof of Claim to be filed in this case.

Total amount of all payments (over time) to satisfy claims: No distribution shall be made to creditors in this Class unless and until the Debtor realizes monies from any of the following matters:

1. The Debtor is currently involved in a lawsuit brought by him against Douglas Cancienne and others. **In the event there is a cash recovery from this action, the total amount of that recovery less any expenses including attorney's fees to be paid therefrom shall be paid on a pro rata basis to all creditors in Classes 2.1 and 2.2 on a pro rata basis.** In the event the monies realized therefrom are not received or the case is not fully settled prior to the end of the term provided for in the Plan, then this bankruptcy case shall not be closed until such time as this case has been finally resolved. In the event the payment is made over time as a result of a settlement or settlement after judgment regarding payment, then the amounts to be disbursed shall be disbursed immediately following receipt to all creditors in this Class as above set forth. For further information of this lawsuit, you are directed to V. DESCRIPTION OF DEBTOR'S PAST AND FUTURE BUSINESS AND EVENTS PRECIPITATING BANKRUPTCY FILING earlier in this Disclosure Statement

2. In the event the Debtor has net spendable income from his law practice or other income either from the sale of real property or otherwise which is not case collateral belonging to secured claim holders whose claim is discussed hereinabove, which said amount of net spendable income after payment of all regular and necessary expenses, a reasonable living allowance not greater than $22,000.00 per annum during the years provided for by the Plan and after payment of all federal and state income taxes, any amount greater than a reasonable sum for capital increases and replacement of equipment which is determined to be an amount of $20,000.00, net spendable income in excess of said amounts as above defined shall

be distributed to creditors of Classes 2.1 and 2.2 on a pro rata basis 60 days after the end of the calendar year.

3. Should the Debtor sell any parcel of real property owned by the estate at a profit and after the payment of all sales

* * *

Code terminate upon the Confirmation Date.

7.02 In determining whether a Class of Creditors has voted to accept or reject this Plan, the provisions of Sections 1129(a)(7), (8) and (10) of the Code shall control.

7.03 All Claims for return of preference payments or for fraudulent transfers, if any, pursuant to Sections 547 and 548 of the Code, all Claims relating to Post-Petition transactions under Section 549 of the Code, all Claims against third parties owed to or in favor of the Debtors to the extent not specifically compromised and released pursuant to the Plan, are hereby preserved and retained for enforcement by the Debtors subsequent to the confirmation of this Plan.

7.04 The Plan is intended to be a reorganization pursuant to the Internal Revenue Code, Title 26 U.S.C. Section 368(a)(1)(G) and 368(a)(2), as amended.

7.05 Notices other than notices covered by the code or Local Rules of Court and other communications shall be deemed given only if and when received by the party to which the notice is required to be given.

7.06 Upon completion of payments to Allowed Non-Priority Unsecured Claim Holders, the Debtor may

make an application to the Court for an Order closing this case.

ARTICLE VIII: RETENTION AND JURISDICTION

8.01 The Court shall retain jurisdiction over these proceedings after Confirmation as permitted by law.

Dated: January 27, 1994

HAROLD E. GRIFFIN

/s/ Harold E. Griffin

APPENDIX 3

LAWRENCE R. YOUNG
LAW OFFICES OF LAWRENCE YOUNG
9530 E. Imperial Highway, Suite E
Downey, CA 90242
(310) 926-5526
Attorneys for Debtor

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA

In re:	Case No. LA 92-59106-GM
HAROLD E. GRIFFIN,	Chapter 11
Debtor.	NOTICE OF LAST DATE TO FILE PROOFS OF CLAIM OR INTEREST March 22, 1994 (No Hearing Required)

TO ALL CREDITORS AND PARTIES IN INTEREST:

PLEASE TAKE NOTICE that, pursuant to an Order of the Bankruptcy Court, MARCH 22, 1994 is fixed as the last date on which creditors and/or interest holders of the above captioned Debtor may file proofs of claim or interest in this case.

PLEASE TAKE FURTHER NOTICE that a creditor need not file a proof of claim unless such creditor disputes the amount of its claim listed by the Debtor on its Schedules, or any amendments thereto, or disputes the categorization of its claim by the Debtor, or unless such claim is listed by the Debtor as contingent, disputed and/or unliquidated.

To assist you in ascertaining the status of your claim, the Debtor's Schedules are on file with the Clerk of the Bankruptcy Court and are available for inspection between 10:00 A.M. and 4:00 P.M. Monday through Friday. The Clerk of the Bankruptcy Court is located at 312 N. Spring Street in Los Angeles, CA 90012.

IF YOU ARE REQUIRED TO FILE A PROOF OF CLAIM AND YOU DO NOT FILE A PROOF OF CLAIM WITH THE CLERK OF THE BANKRUPTCY COURT LOCATED AT U.S. FEDERAL BUILDING, 300 N. LOS ANGELES STREET, LOS ANGELES, CA. 90012 BEFORE 4:00 P.M. ON OR BEFORE MARCH 22, 1994, YOUR CLAIM AGAINST DEBTOR AND DEBTOR IN POSSESSION, HAROLD E. GRIFFIN, WILL BE BARRED AND YOU WILL NOT PARTICIPATE IN ANY DISTRIBUTION TO BE PAID TO CREDITORS IN THIS CHAPTER 11 CASE.

PLEASE TAKE FURTHER NOTICE THAT IF YOUR CLAIM OR INTEREST IS BASED UPON ANY WRITING, YOU MUST ATTACH COPIES OF ANY AND ALL SUCH WRITINGS TO THE PROOF OF CLAIM OR INTEREST OR PROVIDE AN ADEQUATE EXPLANATION OF YOUR INABILITY TO DO SO.

PLEASE TAKE FURTHER NOTICE that, in addition to filing your proof of claim or interest with the Clerk of the Bankruptcy Court at the address set forth above, you must mail a copy of the complete proof of claim or interest to the attorneys for the Debtor, Lawrence R. Young, Law Offices of Lawrence Young, 9530 E. Imperial Highway, Suite E, Downey, CA 90242, Attn: John Cruickshank.

A proof of claim form is provided along with this notice.

BY ORDER OF THE COURT.

DATED: JANUARY 27, 1994

LAW OFFICES OF
LAWRENCE YOUNG

By: /s/ Lawrence R. Young
Lawrence R. Young

APPENDIX 4

LAWRENCE R. YOUNG
LAW OFFICES OF LAWRENCE YOUNG
9530 E. Imperial Highway, Suite E
Downey, CA 90242
(310) 926-5526
Attorneys for Debtor

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA

In re:	)	Case No. LA 92-59106-GM
HAROLD E. GRIFFIN,	)	Chpater 11
	)	
Debtor.	)	BALLOT FOR ACCEPTING OR REJECTING PLAN
	)	
	)	

BALLOT FOR ACCEPTING OR REJECTING PLAN OF REORGANIZATION

The Plan referred to in this ballot can be confirmed by the court and thereby made binding on you if it is accepted by the holders of more than two-thirds in amount and more than one-half in number of claims in each class actually voting on the Plan. In the event the requisite number of acceptances are not obtained, the court may nevertheless confirm the Plan if the court finds that the plan accords fair and equitable treatment to the class rejecting it. To have your vote count, you must complete and return this ballot.

THIS BALLOT MUST BE RECEIVED BY THE LAW OFFICES OF LAWRENCE YOUNG AT 9530 E. IMPERIAL HIGHWAY, SUITE E, DOWNEY, CA 90242 ON OR BEFORE 5:00 P.M. ON MARCH 22, 1994

The undersigned, a creditor of the above named debtor in the unpaid principal amount of $250,000.00, being a member of Class 2.2 and Sub-Class ___ (if this applies to your situation),

ACCEPTS XXX (Check Line if voting to Accept)

REJECTS ___ (Check Line if voting to reject)

the Plan of Reorganization of the above named Debtors.

Dated: 03/21/94

PRINT OR TYPE NAME:

SIGNED: Alfred G. Griffin
By: Alfred Gus Griffin
Title: Trust Estate of
Gus Griffin Trustor/
Beneficiary

Address: 1753 – 15th Street, Suite B
City: Santa Monica State: CA Zip 90404

LAWRENCE R. YOUNG
LAW OFFICES OF LAWRENCE YOUNG
9530 E. Imperial Highway, Suite E
Downey, CA 90242
(310) 926-5526
Attorneys for Debtor

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA

In re:	)	Case No. LA 92-59106-GM
HAROLD E. GRIFFIN,	)	Chpater 11
Debtor.	)	BALLOT FOR ACCEPTING OR REJECTING PLAN

BALLOT FOR ACCEPTING OR REJECTING PLAN OF REORGANIZATION

The Plan referred to in this ballot can be confirmed by the court and thereby made binding on you if it is accepted by the holders of more than two-thirds in amount and more than one-half in number of claims in each class actually voting on the Plan. In the event the requisite number of acceptances are not obtained, the court may nevertheless confirm the Plan if the court finds that the plan accords fair and equitable treatment to the class rejecting it. To have your vote count, you must complete and return this ballot.

THIS BALLOT MUST BE RECEIVED BY THE LAW OFFICES OF LAWRENCE YOUNG AT 9530 E. IMPERIAL HIGHWAY, SUITE E, DOWNEY, CA 90242 ON OR BEFORE 5:00 P.M. ON MARCH 22, 1994

The undersigned, a creditor of the above named debtor in the unpaid principal amount of $175,000.00, being a member of Class 2.2 and Sub-Class ___ (if this applies to your situation),

ACCEPTS XXX (Check Line if voting to Accept)

REJECTS ____ (Check Line if voting to reject)

the Plan of Reorganization of the above named Debtors.

Dated: 03/21/94

PRINT OR TYPE NAME:

SIGNED: Mabel M. Griffin
By: Mabel M. Griffin
Title: Trust Estate of
Mabel Griffin Trustor/
Beneficiary

Address: 1753 – 15th Street, Suite B
City: Santa Monica State: CA Zip 90404